



2014-15 Differentiated Pay Plan Submission Template

In June 2013, the State Board of Education passed a revised set of guidelines pursuant to Tenn. Code Ann. §49-3-306(h), which requires districts to create and implement differentiated pay plans. The intent of the differentiated pay plans is to give local control to districts in regard to salary schedule, and to create another lever for districts to attract and retain teachers based on a flexible set of potential criteria. A complete copy of the policy can be found [here](#).

Structure of this Document

The document includes two required sections where districts will describe their proposed 2014-15 differentiated pay plans and salary schedules. An optional section is also included on stakeholder engagement and eligibility. Finally, districts that choose to propose an [alternative salary schedule](#) as their differentiated pay plan, or part of their plan, will need to complete a short [addendum](#). A list of the common differentiated pay terms used throughout this document can be found in [Appendix A](#).

Timeline

The department has created a flexible timeline for differentiated pay plan submission to better meet the various deadlines of each district's local school board and budget processes. The table below outlines this timeline:

General Differentiated Pay Plan Submission Timeline	
Prior to submission	Local school boards are informed of and/or approve differentiated pay plans that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Ongoing	Districts submit differentiated pay plans to TDOE
Three weeks after date of submission	TDOE communicates approval decision to school districts
Following TDOE approval notification but no later than June 30, 2014	Local school boards approve final differentiated pay plans and any associated budget items

For those districts that choose to implement an [alternative salary schedule](#) as their differentiated pay plan (see page 5 for more detailed information on this option) the following timeline will be used in order to meet the necessary State Board of Education (SBE) deadlines.

Alternative Salary Schedule Submission Timeline	
Prior to submission	Local school boards are informed of the alternative salary schedule that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Jan. 31, 2014	Districts submit alternative salary schedules to TDOE
By Feb. 21, 2014	TDOE communicates approval decision of the alternative salary schedule to school districts
By March 8, 2014	Local school boards approve the alternative salary schedule
March 8, 2014	TDOE submits alternative salary schedule documents to the SBE
April 18, 2014	SBE Meeting

All differentiated pay plans and alternative salary schedules should be submitted to Laura.Encalade@tn.gov. The department also plans to post the final differentiated pay plans on its website.

Note that while the differentiated pay plan must be implemented in the 2014-15 school year, the first payouts from those plans could occur, particularly for those plans which include performance related criteria, at the completion of the 2014-15 school year when all relevant student achievement data is available. Following the 2014-15 school year, the department will collect evidence of implementation, including information regarding the number of awards that were paid out.

Contact Laura Encalade at Laura.Encalade@tn.gov or (615) 253-2119 for additional questions or guidance on creating your differentiated pay plan or on the submission and approval processes.

I. Description of Differentiated Elements (Required Section)

Directions: For each element of the district's differentiated pay plan, use the table below to provide a description of how the district will differentiate pay. The plan must include **at least one** of the elements listed below in the left-hand column, in addition to education and experience.

Many plans may include a combination of several elements; therefore, please add rows or repeat differentiated elements as needed. For example, the plan may include two different types of additional instructional roles. Also, please feel free to delete from the table or leave blank any differentiated elements that will not be used in your plan.

[Appendix B](#) of this document contains an example of each type of differentiated element. Please review that example prior to completing the table below.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Estimated Salary Expenditures
	<p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p>	<p><i>Will the compensation be given as a bonus or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p>	<p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p>	<p><i>How much does the district estimate it will pay out for this differentiated pay element?</i></p>	<p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p>
Hard-to-Staff (School, Subject, or Placement)	N/A				
Performance	<p>1)Using school-wide TVAAS data, teachers in PreK – 12 will be eligible to receive a bonus, based on each applicable school's TVAAS score (4 or 5) for the Literacy and Numeracy. The school score will be based on the one specific school assigned to each teacher.</p> <p>2)Based on the graduating</p>	<p>1)A bonus will be given to qualifying teachers in PreK – 12 based on their applicable school's TVAAS score for the Literacy and Numeracy.</p> <p>Score of 5 = \$400</p> <p>Score of 4 = \$350</p> <p>2)A bonus in the amount of \$250 will be given to qualifying teachers in Prek -</p>	<p>All teachers in PreK – 12 (approximately 120) will be eligible for these performance bonuses. Each teacher must meet the following eligibility requirements as listed below to qualify: 1) Teacher must be a fulltime certified employee for the 2014 -2015</p>	<p>If all requirements are met, we estimate the total cost of the TVASS bonus to cost \$48,000 (which excludes benefits) and the ACT bonus to cost \$30,000 (which</p>	<p>These two performance bonuses makes up .7% of the district's annual salary costs (excluding benefits)</p>

	<p><i>class' Average ACT Composite of 21 or above, using the highest score for each student, teachers in grades Prek – 12 will eligible to receive a bonus. The average will be calculated after the return of the April ACT test.</i></p>	<p><i>12 based on the graduating class' Average ACT Composite of 21 or above.</i></p>	<p><i>school year. 2) Teacher must receive a minimum of a 3 on the observation score for the TEAM evaluation Mode. 3) Teachers who retire at the end of 2014-2015 are eligible but teachers not returning for the 2015-2016 school year are not eligible. 4) Teacher may not miss more than 10 days for the 2014-2015 school year with the only exception being FMLA, Military or absences from system approved professional activities – with this exception, bonus compensation will be prorated per percentage of days attended.</i></p>	<p><i>excludes benefits).Funding from the 2014-2015 increase for salary improvements will be utilized. These funds will be those designated outside any other BEP funding improvements or funds generated by student growth. Other revenue increases will be reviewed on available funding and local system needs. As data becomes available after the 2014-2015 school year, data validation and attributions will begin with a target date of October 2015 for complete payouts. All amounts and criteria for eligibility are subject to local</i></p>	
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				<i>board approval and local, state, and federal funding remaining at current levels. The approved plan commits the system for the 2014-2015 school year only and will be reviewed annually for sustainability and its systemic impact.</i>	
Additional Instructional Roles or Responsibilities	<i>N/A</i>				
Education & Experience	<i>The district will continue scheduled salary increases for teachers with M.S. degrees and above and on years of experience (please see attached schedule).</i>	<i>Base pay increases will be given for advanced degrees and years of experience as stated on the attached salary schedule.</i>	<i>All teachers Prek – 12 will be eligible for base pay increases as they obtain additional college credit in the education field. Teachers must turn in a current transcript documenting the hours or degree earned. Currently we have approximately 83 Teachers with degrees above the basic BS degree. They will also be eligible for base pay increases for experience as they increase each year up to 20 years.</i>	<i>The system estimates that it will cost approximately \$57,000 (which excludes benefits) for these base pay increases. We will also estimate another \$50,000 (which excludes benefits) for possible degree changes. We will continue to utilize local funding for</i>	<i>The estimated increases in education and experience makes up 1% of the district's annual salary costs (excluding benefits)</i>

				<i>education and experience above state allocation thru BEP.</i>	
Experience	<i>After the 15th year, a salary increase will be paid in 5 year increments of \$200</i>	<i>Base pay increases will be given for years of experience after the 15th year. This increase will be paid in 5 year increments of \$200.</i>	<i>All teachers PreK – 12 will be eligible for this base pay increase for experience as stated in the description for this pay element. Currently we have approximately 51 Teachers falling in this category.</i>	<i>The system expects to pay out approximately \$30,000 (which excludes benefits) to pay this base pay increase. We will continue to utilize local funding for this experience.</i>	<i>The estimated increases in experience makes up .3% of the district's annual salary costs (excluding benefits)</i>
Other					

II. Salary Schedule (Required Section)

1. Please include below or attach a copy of the district's proposed 2014-15 salary schedule.
2. Describe how you will allocate any future state funding increases (i.e., FY13 1.5% increase in the BEP instructional component). Will increases be: 1) applied across-the-board, 2) allocated towards differentiated pay, or 3) a combination of both?

III. Eligibility and Stakeholder Engagement (Optional Section)

While this section is optional, the information provided will help the department to be able to provide continued support and assistance to districts in implementing their differentiated pay plans.

1. Provide a list of eligibility rules (i.e., attendance requirements, retirement or transfer policies, etc.) for the differentiated pay plan elements or additional roles/responsibilities outlined in the plan.
2. Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.
3. Does the district plan to expand or grow its differentiated pay plan in future years? If so, what types of changes or expansions are you considering to your differentiated pay plan or salary schedule?

IV. Alternative Salary Schedule (Optional Section)

An alternative salary schedule uses some other component, often performance criteria, in addition to or in place of education and experience to determine base pay and is subject to State Board of Education (SBE) approval. If you are unsure whether your plan qualifies as an alternative salary schedule or for additional resources for developing such a plan, contact Laura Encalade at Laura.Encalade@tn.gov for more information. Please review the [specific submission timeline](#) for alternative salary schedules on page 2.

Those districts proposing an alternative salary schedule as part of their differentiated pay plan, must complete this addendum to provide the department with the additional information needed to present the salary schedule to the SBE on behalf of the LEA. Those districts which already have SBE approved alternative salary schedules need only to submit a current copy of that plan.

a. Salary Schedule

Include both the proposed salary schedule and a description of the following:

- How will base pay changes be determined?
- Will existing employees have an opt-out provision for the alternative salary schedule? If so, when will all employees transition to the alternative salary schedule?
- How will the following groups be placed on the alternative salary schedule?:
 - Existing district employees
 - Educators new to teaching with zero years of experience
 - Educators new to the district but with prior experience

b. Eligibility Criteria

If not already included in Section IV on the previous page, describe below or include in an attachment a copy of any eligibility rules for the alternative salary schedule.

c. Feasibility Analysis

Attach evidence using 2012-13 data (at a minimum) that the alternative salary schedule is financially feasible. Please reach out to Laura.Encalade@tn.gov for additional information or support in meeting this requirement.

d. Stakeholder Engagement

Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

Appendix A: Common Differentiated Pay Definitions

1. Base pay (base salary): An individual's salary excluding any additional compensation in the form of bonuses, stipends, or supplements for additional work or responsibilities.
2. Bonus/stipend: Additional compensation for a pre-defined set of criteria. Bonus and stipend pay are awarded in addition to or "on top of" an individual's base pay. Bonuses/stipends are one-time payments awarded for a specific role, additional responsibility, or achievement of particular criteria. Bonuses and stipends are not a part of base salary and do not become a reoccurring part of an individual's compensation.
3. Traditional salary schedule (or step and lane schedule): A salary schedule that uses years of experience and education levels exclusively to determine educator's increases in base pay. Traditional schedules may follow the same structure as the state minimum salary schedule. Salary schedules that modify the amount of the step increases given for experience or change the structure of the education lanes may still be considered a traditional schedule as long as they meet or exceed the relevant state minimums.
4. Alternative salary schedule¹: A salary schedule that uses some other component, often a performance measure, in addition to or in place of education and experience to determine base pay. A schedule where an educator's evaluation score is used to determine the amount of his or her yearly base pay increase is an example of an alternative salary schedule. Alternative salary schedules are subject to State Board of Education approval.
5. Opt-in/opt-out provision: Individuals are provided with the choice to participate in a program. This provision is most often associated with alternative salary schedules and is not a required provision.

¹ If you are unsure as to whether your plan is a traditional salary schedule or an alternative salary schedule, please contact Laura.Encalade@tn.gov.

